R.J. Reynolds Tobacco Company

L. E. MacWilliams
Region Operations Manager
Buffalo #1600

June 23, 1998

TO: KAM's, AM's, DM's RM's & SR'S with D/A responsibility

RE: FORSYTH / NEW WORLD
RESPONSE DUE 7/20/98

Ladies & Gentlemen:

In an effort to ensure the Buffalo Region maximizes our opportunities relative to Private Label, please ensure the following is handled with your Private Label customers, prior to July 1, 1998:

WHOLESALERS:

- Customer Service must receive the attached form (*Pricing Restructure Agreement)*, by mid-late June in order to ensure off-invoice changes are made by July 1st.
- All wholesalers will automatically receive a total alliance fund of $3.05 (combination of off-invoice and accrual dollars) effective July 1st. **Form must be submitted in order to change the off-invoice amount to $3.05, which is the maximum amount available.**
- In order for RJR to obtain the most desirable/competitive price point at retail, you should strive to obtain the maximum off-invoice of $3.05, unless unique circumstances exist.
- Once the off-invoice is changed to $3.05, the accrual fund becomes obsolete. However, any funds remaining (which were accumulated prior to the off-invoice change) should be spent to promote the brand during the 3rd month of each quarter, until all dollars have been depleted.
- It is pertinent that you ensure the wholesaler revises his price to retailers effective with the off-invoice change.
- Indicate all changes to off-invoice and corresponding "Wholesale to Retail" price on the attached spreadsheet. ***Submit to the ROU, attn. Eileen on or before July 20, 1998.***

51845 4071

Source: https://www.industrydocuments.ucsf.edu/docs/nnyy0000

CHAINS / RETAIL ACCOUNTS:

- *Contracted Private Label*
  - All contracts expire June 30, 1998
  - New Forsyth agreements (Plan A or D) must be signed and forwarded to Gwen Scott/Forsyth no later than 7/3/98

- *Contracted Distributor Private Label*
  - All contracts expire June 30, 1998
  - New Forsyth Agreement (Plan DEDLP) must be submitted to the ROU with 7101
  - Retailers receive $0.35 per carton, paid by you via TPS. Monies may be spent during the 3rd month of every quarter for promotion*

- *Monarch EDLP:*
  - All contracts expire June 30, 1998
  - New Forsyth Agreement (Plan MEDLP) must be submitted to the ROU with 7101
  - Retailer receive $3.40 per carton paid by you via TPS. Monies may be spend during 3rd month of every quarter for promotion*

** For Contracted Distributor PL's and Monarch EDLP accounts, it will be necessary to obtain documentation from the account (direct account invoices or attached PL documentation form) and submit to the ROU with your voucher request for the $0.35 (distributor PL) and/or the $3.40 (Monarch EDLP) payments.*

TPS payment designations are:

Distributor PL $0.35 - PL$.35 P/R EDLP
Monarch EDLP $3.40 - MO$3.40 P/R EDLP

Designations will be effective 7/1/98 (for payments of $7,499 or less made by draft)

Note: KAM's and AM's may utilize AIM185 reports vs. invoices/PL documentation form if preferred.

Please reference your New World Trade Marketing Book (May, 1998), Forsyth section for further specifics as well as hard copy of all referenced contracts. Contact your manager or myself if questions.

Sincerely,

Lori

cc: B. Roth
S. Rush

lem68-98.doc

51845 4072

Source: https://www.industrydocuments.ucsf.edu/docs/nnyy0000